

FISCAL NOTE

SB 3181 – HB 3435

February 26, 2008

SUMMARY OF BILL: Requires municipally or cooperatively owned utilities to provide access to poles and conduits that are located in public rights of way to any telegraph and telephone corporation or cable television provider according to Section 602(5) of the Federal Cable Policy Act of 1984. Prohibits in-kind payments. Currently rates for pole attachments are assessed based on an equal distribution of annual pole cost to each entity that uses the pole. Under the Federal Cable Policy Act, rates will be assessed based on the percentage of available space on each pole that is used by each entity.

ESTIMATED FISCAL IMPACT:

Decrease Local Revenue – Exceeds \$4,000,000

Assumptions:

- Municipal utilities currently receive approximately \$8,000,000 annually from pole attachment fees paid by cable TV providers.
- Municipal utilities currently receive approximately \$13,000,000 annually from pole attachment fees paid by telegraph or telephone corporations.
- According to the Comptroller, changing the method in which rates are assessed will decrease local revenue in excess of 20 percent, at least \$4,000,000. The current equal distribution assessment splits the pole cost among all companies using the pole; the new available space percentage distribution assessment will place more of the cost on municipal utilities as they use more of the pole's available space.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

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